

LEASE - Group No. 2

AGREEMENT made and entered into this 15th day of January, 1974,
between

UNITED STATES RAILWAY EQUIPMENT CO.,
an Illinois corporation, (hereinafter called "United"), and

CHICAGO, ROCK ISLAND AND PACIFIC

RAILROAD COMPANY, a Delaware

corporation

7308

RECORDATION NO. _____ Filed & Recorded

JAN 18 1974 - 10 30 AM

(hereinafter called "Lessee").

INTERSTATE COMMERCE COMMISSION

RECITALS

Lessee desires to lease from United as Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT

It Is Agreed:

1. *Lease of Cars.* United agrees to lease to Lessee and Lessee agrees to and does hereby lease from United that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Exhibit "A" attached hereto and by this reference made a part hereof. Lessee acknowledges that it has possession of all cars and has accepted same for all purposes of this Lease.

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vided in
aragraph 3
ereof,

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible from time to time in groups of no less than 10. United shall not be responsible for failure to deliver or delay in delivering Cars due to casualties and contingencies beyond its direct control, such as, but not limited to, labor difficulties, fire, delays and defaults of carriers and car and material suppliers.

Lessee shall be liable for, and shall pay or reimburse United for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of Cars, including specifically, but not exclusively, freight and switching charges for movement to and from United's plant or any facility of Lessee or any other person, firm or corporation at any time and for any reason.

3. *Condition of Cars - Acceptance.* SEE RIDER.

4. *Use and Possession.* Throughout the continuance of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and may use such Car,

(a) on its own property or lines; and

(b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic for such compensation as Lessee may determine or as may be required by the then current Code of Rules Governing the Condition of, and Repairs to, Freight and Passenger Cars for the interchange of traffic adopted by the Association of American Railroads (hereinafter called the "Interchange Rules") but at all times subject to the terms and conditions of this Lease,

provided, however, that at all times the Cars shall be used only in the United States of America or in Canada and in a careful and prudent manner solely for the uses for which they were designed.

5. *Term - Average Date.* This Lease shall be for a term (hereinafter referred to as the "original term") which shall commence on the date hereof ten (10) years from the Average Date of Delivery unless sooner terminated in accordance with the provisions of this Lease. The Average Date of Delivery shall be determined after delivery of such Cars as follows,

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(a) multiply the number of Cars delivered by United on each day by the number of days elapsed between such day and the date of delivery of the first Car hereunder, then add all of the products so obtained and divide by the total number of Cars so delivered; the quotient rounded out to the nearest whole number shall be added to the date of delivery of the first Car, and the resulting date shall constitute the Average Date of Delivery;

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(b) the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee. A Car shall be conclusively deemed delivered to the Lessee on the earliest date shown on any of the following: (i) Certificate of Inspection and Acceptance or other writing accepting a Car signed by the Lessee or (ii) a bill of lading showing delivery to Lessee or to a foreign line railroad for the account of Lessee.

United;

6. *Option to Extend.* Unless Lessee is in default under the provisions of this Lease, Lessee shall have an option to extend the term of this Lease upon the same terms and conditions as to all or any portion of the Cars then subject to this Lease by notifying United in writing no less than ninety (90) days and no more than six (6) months prior to the end of the original term. An extension pursuant to this option with respect to any Car shall be for a period (hereinafter referred to as the "extended term") of one (1) year from the end of the original term and shall automatically continue from year to year thereafter without further act by either party until termination of this Lease with respect to such Car,

(a) by written notice from Lessee to United 30 days prior to the last day of any year of such extended term stating that the Lease is cancelled as to such Car as of the last day of such year;

(b) by United on account of default by the Lessee;

(c) by the expiration of five (5) years from the end of the original term at which time this Lease will terminate in all events.

7. *Rental.* SEE RIDER.

8. *Payment.* Lessee shall make payment of all sums due hereunder to United in Chicago funds at the address provided in Paragraph 23 hereof, or such other place as United may direct. Rental payments shall be made monthly in advance on or before the 1st day of each month for which such rental is due, except that the first full month's payment shall include rental covering any prior period of less than one month.

9. *Title.* Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

10. *Maintenance.* Lessee shall, ~~during the continuance of this Lease,~~ ^{after reconstruction and} promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time,

(a) by the Interchange Rules; and

(b) by applicable laws and regulations of any state or governmental body, including specifically but not exclusively, the Interstate Commerce Commission,

all at Lessee's own cost and expense and without any abatement in rent or other loss, cost or expense to United; provided, however, that the provisions of Paragraph 17 hereof shall apply in the event of damage or destruction beyond repair. Any parts, replacements, or additions made to any car shall be accessions to such Car and title thereto shall be immediately vested in United without cost or expense to United.

11. *Taxes and Other Levies.* Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein or any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against United on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of United therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse United for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgement of United, the rights or interests of United in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by United or will notify United of such requirements and will make such report in such manner as shall be satisfactory to United.

12. *Liens.* Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect United's title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and shall promptly discharge any such lien, encumbrance or legal process, except such as are permitted by United under Paragraph 11 hereof.

13. *Indemnity - Patent Covenants.* Lessee agrees to indemnify United and save it harmless from any charge, loss, claim, suit, expense or liability which United may suffer or incur and which arises in connection with the use or operation of a Car or Cars while subject to this Lease (but not while in United's shop or possession) and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or may not have been discoverable by United. United agrees to indemnify Lessee and save it harmless against any charge, loss, claim,

prior to reconstruction Lessee shall at its own cost and expense see that the cars are complete in all parts neither burned, wrecked, nor otherwise materially substantially damaged and in compliance with the requirements of subpara a) and (b) of this Paragraph 10.

suit, expense or liability arising out of or on account of the use or incorporation by United upon delivery of a Car or upon the making of repairs thereto by United, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of the specifications in Exhibit A-1 hereto. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

14. *Warranty - Representations.* Except as otherwise provided in Paragraph 3(g), United makes no warranty or representation of any kind whatsoever, either express or implied as to any matter whatsoever, including specifically but not exclusively, fitness, design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder, and United shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which would otherwise constitute a breach of warranty or representation. ~~United agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any new Cars and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights.~~ Lessee represents that all of the matters set forth in Paragraph 22(a) through and including (e) shall be and are true and correct at all times that any Car becomes subject to this Lease.

15. *Car Marking.* Each Car upon reconstruction will be distinctly, permanently and conspicuously marked in stencil by the party performing the reconstruction work with one of the new reporting numbers and marks specified in Exhibit A hereto and with a legend on each side in letters not less than three-quarters inches (3/4") in heights substantially as follows:

UNITED STATES RAILWAY EQUIPMENT CO.
Lessor

The name of any assignee of United's interest or trustee or mortgagee having an interest in the Car shall also appear if requested by United or such other party, or in lieu thereof United may add the following inscription:

Title to this Car subject to documents recorded
under Section 20(c) of Interstate Commerce Act.

Lessee shall immediately replace any such stenciling which may be removed, destroyed or become illegible wholly or in part. Upon Lessee's request United shall furnish a stencil with the form of the marks, numbers and legend. Except for the numbering and stenciling as provided herein, and such markings as Lessee desires to indicate its interest hereunder, Lessee shall keep the Cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by Lessee, or any party other than United.

16. *Inspection - Inventory.* During the continuance of this Lease, United shall have the right, at its own cost and expense, to inspect the Cars at any reasonable time or times wherever the Cars may be. Lessee shall, upon request of United, but no more than once every year, furnish to United two (2) copies of an accurate inventory of all Cars in service.

following reconstruction
17. *Loss, Theft or Destruction of Cars.* In the event any Car is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, Lessee shall promptly and fully inform United of such occurrence and shall within thirty (30) days after the date of such notice, pay to United, as liquidated damages in lieu of any further claim of United hereunder except for accrued rent and such claims as arise or exist under Paragraphs 11, 12 and 13, an amount in cash equal to:

(a) the present worth, as hereinafter defined, of the total remaining rental for such Car which would otherwise accrue during the original term as defined in Paragraph 5, from the date of such occurrence to the last day of such term; plus

(b) the net scrap value, as hereinafter defined, for such Car.

If any such loss, destruction or damage occurs off the line of Lessee, United may elect in lieu of the amount provided in Paragraphs (a) and (b) to receive a sum equal to the settlement basis provided by the Interchange Rules. The present worth of the total remaining rental as used in this Paragraph 17 (a) shall mean an amount equal to the rental discounted on a five per cent (5%) per annum basis (compounded annually from the date of such occurrence to the end of the original term). The net scrap value shall mean an amount in cash equal to the current quoted price per net ton of No. 1 Heavy Railroad Melting Steel Scrap, prevailing at
Pittsburgh, Pennsylvania;
Cleveland, Ohio; and
Chicago, Illinois as published in *Iron Age* or other reputable industrial

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journals, on the first day of the month preceding the month in which payment of such net scrap value is required to be made, multiplied by twenty (..... 20.0) tons. In the event any of the Cars are destroyed or damaged beyond economic repair on the line of Lessee, United may, at its option, in lieu of receiving the net scrap value of such Cars, elect that Lessee return such damaged or destroyed Cars to United either on wheels or in cars at such point on Lessee's line as United may designate. United shall make such election in writing within fifteen (15) days after receiving Lessee's notice that Cars have been destroyed or irreparably damaged. This Lease shall continue in full force and effect irrespective of the cause, place or extent of any damage, loss or destruction of any of the Cars, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to any Car which is lost, stolen or destroyed or damaged beyond repair on the date United shall receive payment of the amount required to be paid to it on account of such Car under this Paragraph 17. (Continued on Rider.)

18. *Return of Cars.* Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 17 hereof), Lessee shall at its sole cost and expense,

(a) forthwith surrender possession of such Car to United in the condition required by Paragraph 10 hereof by delivering same to **United's facility in Washington, Indiana, or if United so elects, to United's facility in Blue Island, Illinois; and**

(b) if United shall so request by written notice delivered prior to surrender of possession of such Car as above provided, provide suitable storage for such Car for a period of ninety (90) days from the date of expiration or termination and inform United of the place of storage and the reporting number of the Car there stored.

Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 18 and such storage shall be at the risk of United. Upon termination of the storage period or upon request of United prior thereto, Lessee shall cause the Car to be transported to United at the place and in the manner provided in Paragraph 18(a). Until the delivery of possession to United pursuant to Paragraph 18(a) or (b), Lessee shall continue to pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall, in addition, make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred.

19. *Default.* The term "event of default" for the purpose hereof shall mean any one or more of the following:

(a) non-payment by Lessee within thirty (30) days **after written notice** after the same becomes due of any installment of rental or any other sum required to be paid hereunder by Lessee;

(b) the Lessee shall default or fail for a period of thirty (30) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder;

(c) a decree or order shall be entered by a court having jurisdiction in the premises adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Lessee under the Federal Bankruptcy Act or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) days;

(d) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceedings or to any action taken or proposed to be taken in any proceedings or action described in Paragraph 19 (c), or the making by Lessee of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by Lessee in furtherance of any such action.

20. *Remedies.* Upon the happening of an event of default, United, at its option, may:

(a) proceed by appropriate court action either at law or in equity for specific per-

formance by the Lessee of the applicable covenants of this Lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which United may sustain by reason of Lessee's default or on account of United's enforcement of its remedies hereunder;

(b) elect only to terminate the Lessee's right of possession (but not to terminate the Lease) without releasing Lessee in whole or in part from its liabilities and obligations accrued hereunder, or hereafter to accrue for the remaining term of the Lease, and thereupon require Lessee to deliver all such Cars to United at any of its plants or to take possession itself, of any or all of the Cars wherever same may be found. United may, but need not, require delivery of the Cars to it or repossess the Cars, but in the event the Cars are delivered to United or are repossessed, United shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessee shall not assert, in mitigation of its damages or otherwise, any lack of diligence by United in or related to the procuring of another lessee or in refusing to accept any proposed or prospective lessee or other transaction, such matters being within United's sole discretion and determination. The election by United to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained;

(c) declare this Lease terminated and recover from Lessee all amounts then due and payable plus, as liquidated damages for loss of the bargain and not as penalty, a sum which represents the excess of the present worth, at the time of such termination, if any, of the aggregate rental which would have thereafter accrued from the date of such termination to the end of the original term over the then present worth of the fair rental value of the Cars for such period. Present worth is to be computed in each case on the basis of a five per cent (5%) per annum discount, compounded annually from the respective dates upon which rental would have been payable hereunder had this Lease not terminated. In addition to the foregoing, United shall recover any damages sustained by reason of the breach of any covenant of the Lease other than for the payment of rental;

(d) recover or take possession of any or all of the Cars and hold, possess and enjoy the same, free from any right of the Lessee to use the Cars for any purposes whatsoever.

The remedies provided in this Paragraph 20 in favor of United shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies, in United's favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

21. *Sublease and Assignment.* Lessee shall have the right to sublease any of the Cars, subject at all times to the terms hereof, and each of the parties shall have the right to assign the Lease or their rights thereunder only as follows:

(a) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee, but subject to Lessee's rights under this Lease. If United shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee. Lessee will not amend, alter or terminate this Lease without the consent of the assignee while such assignment is in effect. The rights of any assignee or any party or parties on behalf of whom such assignee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of United hereunder or by reason of any other indebtedness or liability at any time owing by United to the Lessee;

(b) Lessee shall not assign this Lease without the written consent of United provided, however, that Lessee may assign all of its rights under this Lease to another railroad corporation which succeeds to all or substantially all of the assets and business of the Lessee provided that such successor shall assume all of the obligations of the Lessee hereunder.

The making of an assignment or sublease by Lessee or an assignment by United shall not serve to relieve such party of any liability or undertakings hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided above or unless expressly assumed in writing by such sublessee or assignee.

22. *Opinion of Counsel.* Upon the request of United or its assignee at any time or times, Lessee will deliver to United an opinion of counsel for Lessee, addressed to United or its assignee in form and substance satisfactory to counsel for United, or its assignee, which opinion shall be to the effect that:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power to enter into this Lease and carry out its obligations thereunder;

(b) this Lease constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee, and all of the Cars were, upon delivery to Lessee, in condition satisfactory to Lessee and were accepted by Lessee in accordance with the terms of this Lease;

(d) no recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission, in accordance with Section 20(c) of the Interstate Commerce Act, is necessary to preserve or protect the title of United or its assignee in the United States of America; and

(e) no governmental authorization or approval is necessary in connection with the Lease or any other action contemplated hereunder.

23. *Notice.* Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when forwarded registered United States mail, return receipt requested, postage prepaid, addressed to:

United at: 2200 East Devon Avenue
Des Plaines, Illinois 60018

or at such other address as United may from time to time designate by notice in writing, and to:

Lessee at: 139 West Van Buren Street
Chicago, Illinois 60605

or any such other place as Lessee may from time to time designate by notice in writing.

24. *Recording of Lease.* Prior to the delivery and acceptance of the first Car, United intends, without expense to Lessee, to cause this Lease and any assignment thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act. Lessee will from time to time do and perform any other act and will execute acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by United, for the purpose of proper protection to the satisfaction of counsel for United, of its title to the Cars, or for the purpose of carrying out the intention of this Lease. Except as hereinbefore provided, Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action, and will furnish to United certificates or other evidence of any such action.

25. *Governing Law-Writing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

26. *Counterparts.* This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be evidenced by any such signed counterpart.

27. *Severability-Waiver.* If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of United to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

28. *Terminology.* In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

29. *Past Due Rental.* Anything to the contrary herein contained notwithstanding, any non-payment of rentals or other sum due hereunder, whether during the thirty (30) day period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to ~~ten per cent~~ per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

30. *Benefit.* The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties, their successors and assigns (to the extent permitted in Paragraph 21 hereof) and the term "United" and the term "Lessee" shall mean, respectively, all of the foregoing persons who are at any time bound by the terms hereof. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 13 hereof shall apply to and inure to the benefit of any assignee of United, and if such assignee is a trustee under an indenture under which notes of United have been issued in connection with the financing of the Cars, then to any holder of such notes.

IN WITNESS WHEREOF, United and Lessee have duly executed this Lease as of the day and year first above written.

UNITED STATES RAILWAY EQUIPMENT CO.,
an Illinois corporation

By: Ralph E. Beel
Vice President

ATTEST:

James H. Kenfield
Secretary

CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY,
a Delaware corporation

ATTEST:

E. J. McPherson
Secretary

By: D. E. H. H. H.
Chairman

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 17 day of January, 1974, before me personally appeared Ralph E. Bell to me personally known, who being by me duly sworn, says that he is Vice President of the United States Railway Equipment Co., and Leonard Schanfield to me personally known to be the ASS'T Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paula Keller
Notary Public
My Commission Expires
4-16-75

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 17th day of January, 1974, before me personally appeared T. E. Desch to me personally known, who being by me duly sworn, says that he is Chairman of Chicago, Rock Island and Pacific Railroad Company, and E. F. Wilkinson to me personally known to be the Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

John H. Quinn
Notary Public
MY COMMISSION EXPIRES OCT. 26, 1977

LEASE - Group No. 2

EXHIBIT "A"

Lessee dated January 15, 1974 by and between United States Railway
Equipment Co. ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD
CORPORATION ("Lessee")

TYPE OF CAR:

New ☐

Used ☒

NUMBER OF CARS: 390 50 ton 40'6" steel sheathed boxcars with
6' sliding doors

*REPORTING NUMBERS AND MARKS:

OLD NUMBERS

NEW NUMBERS

See Appendix A

SPECIFICATIONS DESIGNATED BY LESSEE:

All cars to be reconstructed in accordance with the Recon-
struction Specifications dated December 11, 1973*, appli-
cable to each group of cars in a different numbered series,
copies of which are attached hereto as Exhibit A-1.

*Revised January 2, 1974; January 14, 1974.

*When United's reporting marks are specified, this lease is subject to the granting of all neces-
sary consents to such use by carrier, AAR, or any other approval now or hereafter required by
tariff, AAR rules, or applicable laws and regulations.

50 Ton 40'6" steel sheathed boxcars with 6' sliding doors

OLD NUMBER	NEW NUMBER
021541	057396
021542	057397
021543	057398
021544	057399
021545	057400
021546	057401
021547	057402
021548	057403
021549	057404
021550	057405
021551	057406
021552	057407
021553	057408
021554	057409
021555	057410
021557	057411
021558	057412
021559	057413
021560	057414
021563	057415
021564	057416
021565	057417
021566	057418
021567	057419
021570	057420
021571	057421
021572	057422
021573	057423
021574	057424
021575	057425
021576	057426
021577	057427
021578	057428
021579	057429
021580	057430
021581	057431
021582	057432
021583	057433
021585	057434
021587	057435
021588	057436
021589	057437

OLD NUMBER	NEW NUMBER
021593	057440
021594	057441
021596	057442
021597	057443
021599	057444
021600	057445
021601	057446
021604	057447
021605	057448
021607	057449
021608	057450
021609	057451
021611	057452
021613	057453
021614	057454
021617	057455
021618	057456
021619	057457
021620	057458
021621	057459
021622	057460
021623	057461
021625	057462
021627	057463
021628	057464
021629	057465
021631	057466
021632	057467
021633	057468
021635	057469
021636	057470
021637	057471
021638	057472
021639	057473
021640	057474
021643	057475
021644	057476
021646	057477
021647	057478
021648	057479
021649	057480
021652	057481
021653	057482
021654	057483
021655	057484
021657	057485
021659	057486
021660	057487
021661	057488
021662	057489
021664	057490
021666	057491
021667	057492

OLD NUMBER	NEW NUMBER
021671	057495
021673	057496
021674	057497
021675	057498
021676	057499
021678	057500
021679	057501
021680	057502
021682	057503
021684	057504
021685	057505
021686	057506
021689	057507
021690	057508
021691	057509
021693	057510
021695	057511
021696	057512
021697	057513
021699	057514
021700	057515
021701	057516
021703	057517
021704	057518
021705	057519
021706	057520
021707	057521
021708	057522
021709	057523
021710	057524
021711	057525
021712	057526
021714	057527
021716	057528
021717	057529
021718	057530
021719	057531
021720	057532
021724	057533
021725	057534
021726	057535
021727	057536
021728	057537
021729	057538
021730	057539
021731	057540
021733	057541
021734	057542
021735	057543
021736	057544
021738	057545
021739	057546
021740	057547
021741	057548

OLD NUMBER	NEW NUMBER
021743	057550
021744	057551
021746	057552
021747	057553
021748	057554
021749	057555
021750	057556
021751	057557
021752	057558
021754	057559
021755	057560
021756	057561
021758	057562
021759	057563
021760	057564
021761	057565
021762	057566
021763	057567
021764	057568
021765	057569
021771	057570
021772	057571
021774	057572
021775	057573
021777	057574
021778	057575
021779	057576
021780	057577
021781	057578
021784	057579
021785	057580
021786	057581
021788	057582
021789	057583
021790	057584
021793	057585
021794	057586
021796	057587
021797	057588
021800	057589
021801	057590
021802	057591
021804	057592
021806	057593
021807	057594
021808	057595
021810	057596
021812	057597
021813	057598
021814	057599
021816	057600
021817	057601
021821	057602
021823	057603
021824	057604

50 Ton 40'6" steel sheathed boxcars with 6' sliding doors

OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER
021825	057605	021901	057660
021826	057606	021902	057661
021828	057607	021904	057662
021830	057608	021908	057663
021831	057609	021909	057664
021833	057610	021910	057665
021834	057611	021911	057666
021835	057612	021913	057667
021836	057613	021917	057668
021839	057614	021918	057669
021840	057615	021922	057670
021841	057616	021923	057671
021842	057617	021925	057672
021844	057618	021926	057673
021847	057619	021927	057674
021848	057620	021929	057675
021849	057621	021932	057676
021850	057622	021934	057677
021851	057623	021935	057678
021854	057624	021938	057679
021855	057625	021939	057680
021856	057626	021940	057681
021857	057627	021941	057682
021858	057628	021943	057683
021860	057629	021946	057684
021861	057630	021947	057685
021862	057631	021948	057686
021863	057632	021950	057687
021864	057633	021952	057688
021865	057634	021955	057689
021866	057635	021957	057690
021867	057636	021958	057691
021868	057637	021959	057692
021869	057638	021962	057693
021872	057639	021966	057694
021874	057640	021967	057695
021875	057641	021968	057696
021876	057642	021969	057697
021877	057643	021970	057698
021880	057644	021971	057699
021881	057645	021972	057700
021882	057646	021974	057701
021883	057647	021975	057702
021885	057648	021977	057703
021886	057649	021978	057704
021887	057650	021979	057705
021888	057651	021982	057706
021889	057652	021983	057707
021890	057653	021987	057708
021891	057654	021988	057709
021892	057655	021990	057710
021893	057656	021991	057711
021894	057657	021992	057712
021895	057658	021993	057713
021896	057659	021994	057714

OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER
021995	057715	022074	057770
021996	057716	022080	057771
021998	057717	022081	057772
022000	057718	022082	057773
022001	057719	022083	057774
022002	057720	022084	057775
022003	057721	022085	057776
022004	057722	022087	057777
022005	057723	022088	057778
022006	057724	022089	057779
022009	057725	022090	057780
022012	057726	022091	057781
022013	057727	022092	057782
022015	057728	022093	057783
022016	057729	022097	057784
022017	057730	022098	057785
022018	057731		
022019	057732		
022020	057733		
022022	057734		
022023	057735		
022024	057736		
022025	057737		
022028	057738		
022030	057739		
022031	057740		
022032	057741		
022033	057742		
022034	057743		
022035	057744		
022036	057745		
022038	057746		
022039	057747		
022043	057748		
022046	057749		
022048	057750		
022049	057751		
022051	057752		
022054	057753		
022056	057754		
022057	057755		
022058	057756		
022059	057757		
022061	057758		
022064	057759		
022065	057760		
022067	057761		
022068	057762		
022069	057763		
022071	057764		
022072	057765		
022073	057766		
022074	057767		
022075	057768		
022077	057769		

LEASE - Group No. 2

EXHIBIT "B"

Lease dated JANUARY 15, 1974, by and between United States Railway
Equipment Co., ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD
COMPANY ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Chicago, Rock Island and
Pacific Railroad Company
139 West Van Buren Street
Chicago, Illinois 60605

and

United States Railway Equipment Co.
2200 East Devon Avenue
Des Plaines, Illinois 60018

Gentlemen:

The undersigned, being a duly authorized inspector for United hereby certifies that he has
made an inspection of (.....) Cars bearing numbers as follows:

all as provided in the Lease, and hereby accepts such Cars
for United as being in condition for reconstruction work as
provided in Paragraph 3(b) of the Lease.

Inspector

LEASE - Group No. 2

EXHIBIT "A-1"

Lease dated JANUARY 15, 1974, by and between United States Railway
Equipment Co. ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD
COMPANY ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Chicago, Rock Island and
Pacific Railroad Company
139 West Van Buren Street
Chicago, Illinois 60605

and

United States Railway Equipment Co.
2200 East Devon Avenue
Des Plaines, Illinois 60018

Gentlemen:

The undersigned, being duly authorized inspectors for
United and Lessee respectively, hereby certify that they
have each made an inspection of _____
(_____) cars bearing numbers as follows:

all as provided in the Lease and they do each hereby accept
them as having all reconstruction work performed in compli-
ance with the Reconstruction Specifications attached to the
Lease and as otherwise being in compliance with all require-
ments of the Lease.

DATED: _____

Inspector for United

DATED: _____

Inspector for Lessee

R I D E R

RIDER No. 1 consisting of 4 pages attached to and made a part of Lease dated January 15, 1974, Group No. 2, by and between UNITED STATES RAILWAY EQUIPMENT CO. ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY ("Lessee").

3. Reconstruction of Cars - Condition of Cars - Acceptance.

(a) United and Lessee agree that all Cars subject to this Lease are to be reconstructed at United's cost and expense in accordance with the specifications ("Specifications") attached hereto as Exhibit A-1. Reconstruction work shall be performed at (United's) (~~Lessee's~~)* facilities by (United) (~~Lessee~~)*. Cars shall be delivered to such facilities in accordance with a schedule, agreed upon by the parties, reasonably sufficient to allow the party performing the work to do so efficiently and economically; provided, however, that such delivery schedule shall provide for the delivery of all Cars by Lessee no later than three (3) years from the date hereof. United shall inspect all Cars prior to commencement of reconstruction work at any facility including Lessee's facility, and shall accept or reject Cars as to condition. All Cars delivered to a facility for reconstruction shall be in the condition required by Paragraph 10 hereof. United shall advise Lessee of the number and condition of any Car not in proper condition for reconstruction as required herein and Lessee shall itself correct any defects or substitute another Car in accordance with the provisions of that certain agreement between the parties dated January 15, 1974, pursuant to which United purchased the Cars. ("Sale Agreement")

(b) United shall issue a Certificate of Inspection and Acceptance in the form attached hereto as Exhibit B with respect to all Cars in condition satisfactory for reconstruction. Upon completion of reconstruction work United and Lessee shall promptly jointly accept such work by executing a Certificate of Inspection and Acceptance for each Car in the form attached hereto as Exhibit B-1.

(c) Each party hereto shall have the right to have one or more representatives present from time to time during reconstruction work at the other party's facility. Such representative shall advise the parties in writing of any work performed or materials supplied which do not conform to the reconstruction specifications in order that the party responsible for performing the work can correct such deficiencies.

*Strike inapplicable material in Paragraph 3(a).

(d) United shall be liable for and shall pay the cost of performing the reconstruction work. If pursuant to subparagraph (a) above Lessee is required to perform such work at its facilities, United shall, within thirty (30) days after completion of the work and after receipt of invoice, pay to Lessee, the price for such work and material set forth in the Specifications notwithstanding Lessee's actual costs therefor.

(e) Rental payments on any Car placed by Lessee in a facility for reconstruction work to be performed by it shall abate from the date the Car is inspected and accepted at the facility until completion of the reconstruction work, but in no event for more than forty-five (45) days. Rental payments on any Car delivered to United's facility for reconstruction work to be performed by United shall abate from the date the Car is inspected and accepted at United's facility, until completion of the reconstruction work. Except to the extent and under the circumstances provided to the contrary in this Paragraph 3(e) with respect to the performance of the reconstruction work, rental payments on Cars covered by the Lease shall not abate for any reason whatsoever.

(f) United may perform reconstruction work required to be done by it at any one or more of the following of its facilities: Washington, Indiana, Atlanta, Georgia, and Lessee shall deliver Cars to such of the foregoing facilities as United may in its sole discretion direct, in accordance with the agreed upon delivery schedule. Upon completion of its reconstruction work United shall deliver the Car to Lessee f.o.t. at the facility at which the work was performed. United's obligation with respect to the completion of reconstruction work to be performed by it and delivery of the Cars to Lessee is made expressly subject to, and United shall not be responsible for, failure to complete or deliver, or delays due to labor difficulties, fire, delays and defaults of carriers and car and material suppliers, acts of God, governmental acts, regulations and restrictions, and any other causes, casualties or contingencies beyond United's control.

(g) United warrants that the work performed and material supplied by United in performing any reconstruction work to the Cars (except as to work or materials furnished, manufactured or supplied by Lessee or a party other than United, who is specified by Lessee) will be free from defects in material and workmanship under normal use and service. United's

sole obligation under this warranty shall be limited to repairing or replacing any part or parts of such work or material which shall, within one year after United shall have made delivery of such defective repairs or material, be returned to such place as United shall designate with transportation charges prepaid and which United's examination shall disclose to its reasonable satisfaction to have been defective in normal use and service. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXTENDING BEYOND THE DESCRIPTION IN THE SPECIFICATIONS FOR SUCH RECONSTRUCTION OR MATERIALS AND SHALL BE IN LIEU OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF UNITED; and United shall not be liable to Lessee for any indirect, special or consequential damages resulting from any defects in material or workmanship.

7. Rental. Lessee shall pay to United as rental for each car,

(a) From and including the date of this Lease until the date a Car is inspected and accepted for reconstruction work at a facility, the sum of \$1.35 per car per day; provided, however, that the rental shall be \$2.70 per car per day for any Car (i) not delivered by Lessee for reconstruction work in accordance with the schedule agreed upon by the parties as provided in Paragraph 3(a) hereof from the date such Car was to have been delivered until the date upon which the reconstructed Car is inspected and accepted or (ii) for which reconstruction work is not completed by Lessee within the time herein allotted therefor, whether or not the same was beyond Lessee's control, from the date such reconstruction work was to have been completed until the date upon which such reconstructed Car is inspected and accepted, and

(b) From and including the date of acceptance of any reconstructed Car, as required in Paragraph 3(b) hereof, the sum of \$ 4.21 per car per day.

(c) If United shall notify Lessee that a change in labor costs or materials results in an increase or decrease in the actual average per car cost of reconstruction ("Actual Cost") from the estimated per car cost of reconstruction set forth in the Specifications, the rental per car set forth in Paragraph 7(b) hereof shall be increased or decreased, as the case may be, by the Monthly Escalation Factor applicable to such Cars as provided in Schedule 1 of the Sale Agreement, for each dollar (to the nearest dollar) by which the Actual Cost shall have so been changed. Within fifteen (15) days after determination of the Actual Cost, but in no events more than three (3) months after all reconstruction work on the Cars is completed, adjusted total rental for the prior periods of the original lease term beginning after the acceptance of reconstruction work will be determined on the basis of a retroactive application to such periods, of the rental adjusted as herein provided. Any amount

by which the adjusted total rentals so determined for such prior periods shall be greater or lesser than the aggregate rental payments actually made by Lessee to United during such prior periods shall be paid if greater, or credited if lesser, with the next monthly rental payment during the lease term from Lessee to United. Commencing with the monthly rental payment for the lease term next due after notice given by United to Lessee of the Actual Cost, all monthly rentals for all reconstructed Cars for the balance of the lease term or any renewals thereof shall be paid at the adjusted rental herein provided. United's notice shall contain a statement certified by its chief financial officer of the Actual Cost. United shall permit Lessee to examine the records of United to verify the Actual Cost upon reasonable notice from Lessee.

(d) During the extended term, from and including the first day following the end of the original term, an amount equal to one-half (1/2) the daily rental per car in effect on the last day of the original term.

Continued from end of Paragraph 17:

In the event any Car prior to reconstruction is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, Lessee shall promptly inform United of such occurrence and may elect to either treat such car as though it were lost, stolen, destroyed or damaged beyond economic repair following reconstruction or as though United deemed the Car not in proper condition for reconstruction and substitute another car therefor all as provided in Paragraph 3(a) hereof.

Estimate #532
December 11, 1973
Revised: January 2, 1974
January 14, 1974

REBUILT LESS ROLLER BEARING

U.S. RAILWAY MANUFACTURING COMPANY

RECONSTRUCT SPECIFICATION

50 TON 40'6" BOX CAR

ROCK ISLAND SERIES 21000-24000

10 YEAR LEASE

LEASE - GROUP NOS. 1-5

EXHIBIT A-1

Lease dated January 15, 1974, by and between United States Railway Equipment Co. ("United") and Chicago, Rock Island and Pacific Railroad Company ("Lessee").

I N D E X

1.00	GENERAL
2.00	BRAKES
3.00	CAR BODY
4.00	COUPLERS AND DRAFT GEARS
5.00	DOORS
6.00	INTERIOR
7.00	PAINT AND STENCILLING
8.00	ROOF
9.00	SAFETY APPLIANCES
10.00	TRUCKS
11.00	UNDERFRAME
12.00	MISCELLANEOUS

1.00 GENERAL

* 1.01 CONSTRUCTION

This Specification covers a reconstructed 50-Ton 40'-6" box car with 6'0" sliding door and standard underframe. Subject car complies with AAR Interchange Rules, Department of Transportation (DOT) Safety Appliance Regulations, Department of Transportation (FRA) Railroad Freight Car Safety Standards and meets Association of American Railroads (AAR) requirements applicable to repaired cars. Car is within Plate "B" equipment diagram.

1.02 WORKMANSHIP

All parts required in this repair shall be fabricated, assembled and finished in a thoroughly workmanlike manner. All steel parts shall be made to templates to assure interchangeability of parts and facilitate assembly.

Holes for rivets 3/8" diameter or less shall be finished 1/32" larger than the nominal rivet diameter. Holes for rivets larger than 3/8" shall be 1/16" larger than the nominal diameter. All parts shall be fit-up tightly before riveting and all rivets shall be driven tight and have full sized holes. Holes for two piece rivet type fasteners 1/2" diameter and larger shall be finished 1/16" larger than the nominal diameter.

Miscellaneous fasteners which are missing or have elongated holes, etc., are to be removed, reamed and replaced with one size larger fastener when using two piece rivet type fastener, i.e., originally 5/8" fastener will be replaced with 3/4", etc.

1.03 MATERIALS

All material used shall conform to AAR specifications.

All carbon steel plates, bars, shapes, sheets, and strips 1/4" thick or shall be copper bearing, except rods.

Bolts and nuts shall be ASA hexagon having American Standard coarse threads (Class 2A external - 2B internal). Welding studs shall be flux filled and have American Standard coarse threads.

High strength bolts and nuts, where used, will be to ASTM Spec. A-325 or equivalent and torqued to requirements, if applicable.

Two-piece rivet type fasteners shall comply with AAR Manual, Page L-29 latest revision.

Lumber: Lumber shall conform to the latest revision of AAR Spec. M-90. Framing may be long and/or short leaf yellow pine; AAR group 7, Paragon or better. All framing shall be kiln dried and moisture content to be 15%.

1.03 MATERIALS (cont'd)

Plywood: Plywood shall be Douglas Fir Exterior Grade B-C or better per Common Standard Specification PS-1-66, latest revision.

Decking: Decking to be yellow pine per AAR Spec. M-907, AAR group 4, paragraph 58 or better. Decking is to be kiln dried and moisture content to be 15% max.

* 1.04 FLOOR LOAD

2-1/4" decking and stringer combination as described within this Specification meets the 25000# gross fork truck load.

1.05 MISCELLANEOUS

Car is to maintain its original Built Date.

All repairs are to be made in kind except for items covered in this specification.

All scrap steel and specialities are to remain the property of U. S. Railway Equipment Co.

Cars are to be inspected and accepted by U.S. Railway Equipment Co. at Washington, Indiana Plant for use on this program.

2.00 BRAKES

2.01 BRAKE EQUIPMENT

Car is equipped with Standard AB-1012 freight car schedule which includes brake cylinder, A-B Valve, 1" combined dirt collector and cutout cock, branch pipe tee, combined auxiliary and emergency reservoir, 1-1/4" angle cock, retaining valve, air brake hose with FP-5 coupling, 1-1/4" angle cock nipple and all welded type brake pipe flange fittings.

2.02 A-B EQUIPMENT (COT&S)

Air brake equipment is to be cleaned, oiled, tested and stencilled (COT&S) as of date released from U. S. Railway Plant. COT&S to be performed in accordance with Air Brake Co. Instruction Leaflet No. 2391, latest revision.

2.03 ANGLE COCK AND COMBINED DIRT COLLECTOR & CUT OUT COCK

Angle cock and/or combined dirt collector and cut out cock are to be "O" ring seal key type cock.

2.04 HANDBRAKE

Handbrake is to be removed and replaced with a reconditioned handbrake per AAR Interchange Rule #88-C. Reconditioned handbrake is to be reconditioned in accordance with Specification for General Repairs and Reclamation of Geared Brakes from the AAR Manual of Standards and Recommended Practices, pages E-29 and E-30. Handbrake is to remain in the high (original) position.

2.05 RETAINING VALVE

Retaining Valve is to be relocated to the underframe area adjacent to A-B Valve in accordance with AAR Manual of Standards and Recommended Practices, page E-45, latest revision. Retaining valve type to be in accordance with Interchange Rule 4.

2.06 ANGLE COCK HOSE

Angle cock hose is to be replaced as required per AAR Interchange Rule (Cause for Renewal). Replacement to be with either new AAR approved reconditioned angle cock hose.

2.07 ANGLE COCK LOCATION

Angle cock location is to be checked for compliance with AAR Interchange Rule #4-E-2 and relocated if required.

2.08 BRAKE CYLINDER RELEASE VALVE

Brake cylinder release valve is to be applied.

2.09 AUTOMATIC SLACK ADJUSTER

Double Acting Automatic slack is to be applied.

2.10 BRAKE PIPES

1-1/4" trainline and all brake pipe are to have welded type flange fittings applied.

2.11 BRAKE PIPE CLAMPS

Welded type brake pipe clamps are to be applied as required. Pipe clamp spacing to be in accordance with Air Brake Specification 2518. "U" bolt clamps, when used, are to be in compliance with AAR Interchange Rule 4-E-9.

2.12 HIGH STRENGTH BOLTS

High Strength bolts are to be applied to the combined reservoir and "A-I" valve pipe bracket in accordance with AAR Interchange Rule #4-E-7, if car is not so equipped.

2.13 SELF-LOCKING NUTS

Self locking nuts are to be applied to air brake equipment per AAR Interchange Rule #4-E-3, if car is not so equipped.

2.14 BRAKE PINS

Brake pins are to be replaced as required when worn to limits specified in AAR Interchange Rule #9-A.

2.15 BRAKE LEVERS, GUIDES AND CONNECTION RODS

Brake levers, guides and connection rods are to be replaced or repaired as required per AAR Interchange Rule #11-D when worn to limits specified in AAR Interchange Rule, #11-A.

2.16 PISTON TRAVEL

Brake rigging is to be adjusted to obtain approximately 7" piston at 50 PSI cylinder pressure.

3.00 CAR BODY

3.01 SIDE SHEETS

Side sheets are to be patched as required. Standard size patches are to be maintained wherever possible. If side sheets are deteriorated at the side sill angle for any long length, a complete patch is to be applied from the door post gusset to the corrugated end flange at the end of the car.

Patches are to be of .10" thick material to ASTM Spec. A570 Grade "B".

Application to be by welding.

3.02 SIDE SILL ANGLE

Side sill angle is to be replaced as required when broken in the doorway or door post area. New section of side sill angle is to be spliced 12" beyond the door post on each side of the door opening.

The top of the side sill angle is to be coped out in the doorway opening to suit the deck conditions.

Side sill angle (size to be compatible with car construction) is to be ASTM Spec. A-36 material.

Application to be by welding and/or fasteners.

3.03 THRESHOLD PLATE

New threshold plates are to be applied. When the side sill does not require replacement in the doorway, a 1/2" thick filler will be required on top of the existing threshold plate support angle to compensate for deck thickness.

Threshold plate to be of 3/16" thick material per ASTM Spec. A575 Grade 1020.

Application to be by #3 Plow Head bolts.

Threshold Plate support angles are to be replaced as required.

Support angle size to be compatible with car construction and is to be of ASTM A575 Grade 1020 material.

Application to be by welding.

3.04 SIDE PLATE REINFORCEMENT (DOOR HEADER)

A 3/8" x 6" bar side plate reinforcement is to be applied centered over each door opening, and is to extend to the first side post between the door posts.

3.04 SIDE PLATE REINFORCEMENT (DOOR HEADER) (cont. d)

Reinforcement bar to be per ASTM Spec. A-36.

Application to side plate to be by two-piece rivet type fasteners and welded application to door post and side post.

3.05 SIDE AND CORNER POSTS

Corner post and side posts which have deteriorated beyond 50% of the original section at the bottom are to have a new 12" splice applied.

Application to be by welding and/or fasteners.

3.06 DOOR OPENING

Door opening is to remain at 6'0" wide.

3.07 EXTERIOR DOOR POST GUSSET -- BOTTOM

A 5/16" x 22" x 23" "L" shaped gusset is to be applied to the exterior of the car connecting the door post, side sill, side sill reinforcement and crossbearer together.

Gusset to be ASTM A-113. Grade "B" material.

Application to be by welding and two-piece rivet type fasteners.

3.08 END SILLS

End sills are to be replaced as required when broken and section is missing. Fractures at other areas are to be "V"ed out, welded and fabricated angle patch applied by welding.

End sill size to be compatible with car construction and material Spec. ASTM A-36.

Application of new end sill to be by rivets or two-piece rivet type fasteners at option of U. S. Railway.

3.09 CORRUGATED END PATCH

A 3/16" thick x 35" long corrugated end patch is to be applied on each end sheet as required, centered over center sill area. Fractures in corrugated end sheet are to be "V"ed out and welded prior to application of end patch.

Patch material to be per ASTM Spec. A570 Grade B.

Application to end sill to be by rivets or two-piece rivet type fastener at option of U. S. Railway.

Application to end sheet to be by welding.

3.10 STRAIGHTENING

End and side sheets are to be straightened as required.
Straightness of side posts to be within 3/8" of vertical, wherever possible.

Ends are to be straightened to be within 1/2" of vertical, wherever possible.

4.00 COUPLERS AND DRAFT GEARS

4.01 INSPECTION

Couplers, yokes, follower blocks and draft keys are to be removed and inspected.

4.02 DRAFT GEARS

Draft gears are to be replaced with reconditioned gears.

4.03 COUPLER BODY & OPERATING COMPONENTS

Couplers are to be inspected per AAR Interchange Rule #16 and if condemned are to be replaced with serviceable secondhand BE-60 type couplers which meet Rules #16.

4.04 YOKES

Coupler yokes are to be inspected per AAR Interchange Rule #19 and if condemned will be replaced with serviceable secondhand Y-40 type yokes which meet these rules.

4.05 FOLLOWER BLOCKS

Follower blocks are to be replaced as required when severely worn or bent.

4.06 DRAFT KEYS

Draft keys are to be inspected per AAR Interchange Rule 16-A and when worn at any point 5/16" or more, will be replaced with a serviceable secondhand draft key.

4.07 DRAFT KEY WASHER

1/2" thick draft key washer, per AAR Interchange Rule #16, will be applied to each key, except where keyslot reinforcement patches have been applied to center sill.

4.08 DRAFT KEY RETAINER

AAR Standard or Alternate Standard draft key retainers are to be applied.

4.09 COUPLER OPERATING ROD ADJUSTMENT

Coupler operating rods are to be adjusted within 1/4" to 1/2" clearance between operating rod eye and locklift lever per Interchange Rule 16-E-15. Operating rods are to be straightened as required.

4.10 COUPLER HEIGHT

Coupler height is to be adjusted to a minimum of 32-1/2" to a maximum of 34-1/2" on an empty car. Adjustment to be accomplished by shimming with C-1045 wear plates at coupler carrier. Application to be by welding. Wear plate design and application to be in accordance with AAR Interchange Rule 16-E-12, 13 & 14. If additional adjustment is required due to minimum coupler shank to striker clearance, shims will be added at the truck springs and/or bolster center plate area in accordance with Interchange Rule 16-E-13-a.

4.11 DRAFT GEAR POCKET

Draft gear pocket is to be inspected and brought within the range of 24-5/8" + 3/16". Draft lugs are to be built up by weld metal and surface

- 0"

ground smooth in areas where lugs have been worn. When pocket exceeds 24-13/16" the lugs are to be built up by weld metal and surface ground smooth in areas where lugs have been worn and have filler plates applied to the face of the back lugs by welding to bring pocket into dimension of 24-5/8" + 3/16".

- 0"

4.12 DRAFT KEY SLOTS

Key slots are to be built up by weld metal and/or plates as required.

* 4.13 DRAFT GEAR CARRIER

Draft gear carriers are to be straightened or replaced in kind as required. Carriers which are worn 25% of the original thickness or greater are to be replaced.

5.00 DOORS

5.01 DOOR OPENING

Door opening is to remain at 6'-0" on center line of car.

5.02 DOORS

Existing 6'0" sliding doors are to be straightened and repaired as required. Repair to consist of welding fractures, applying patches and replacing parts in kind.

5.03 SAFETY HANGERS

Safety hangers are to be applied to doors not so equipped. Design and application of safety hanger is to be in compliance with AAR Manual, Page C-12A, latest revision.

5.04 DOOR CAR SIDE PARTS

Door car side parts and door track are to be replaced in kind as required. Design and attachment of car side parts are to be compatible with car construction.

5.05 INSPECTION

No direct light is to be seen when door is closed and inspected from inside of car. Reflective light is permissible.

6.00 INTERIOR

* 6.01 DECK

New 2-1/4" thick by 5-1/4" tongue and groove, yellow pine decking is to be applied. Decking will extend from side sill to side sill. Securement to be with three (3) bolts or two piece fasteners and floor clips per board. Fasteners to be at option of U. S. Railway. The heads of all fasteners securing the floor and threshold plate are to be set 1/32" min. below the top surface. Decking is to be light sanded after application. Treated Yellow Pine, 2 1/4" thick by 5 1/4" T&G is to be applied in the doorway and 2'0" beyond the door post on each side of the doorway.

6.02 SIDE SILL FILLERS

Side sill fillers (if required) are to be yellow pine and applied between the side posts by two (2) fasteners or clip angles welded to side posts.

6.03 DECKING FILLERS

Decking fillers at the bolster, crossbearer and over the center sill are to be of yellow pine or exterior grade plywood at the option of U. S. Railway. Fillers to be retained by using steel clips. Attachment to be by welding.

6.04 GRAIN STRIPS

New yellow pine grain strips are to be applied between the side posts. Grain strips to be applied by 8D gun type ring shank nails.

Caulking is to be applied between the grain strips and the floor or side sill fillers.

6.05 SIDE LINING

Side lining is to be 25/32" thick T&G yellow pine.

Side lining to be attached to side and door post nailers by 8D gun type, ring shank nails using a staggered nailing pattern. Nail heads to be set below surface of the lining.

6.06 END LINING

End lining is to be 25/32" thick T&G yellow pine.

6.06 END LINING (cont'd)

End lining to be attached to end nailers by 8D gun type ring shank nails using a staggered nailing pattern. Nail heads to be set below surface of the lining.

Top of end lining to be secured to the corrugated end by the existing retainer. Application to be by welding.

6.07 SIDE, END & CORNER POST NAILERS

Side, end and corner post nailers are to be replaced as required when rotted or excessively split. Replacement side and corner post nailers are to be secured by (3) three 1/2" dia. bolts and lock nuts. All other side and corner post nailer fasteners are to be checked for tightness and tightened as required. End nailers when replaced are to be secured with four (4) 1/2" dia. welded studs per nailer. Remaining end nailer fasteners are to be checked and tightened as required.

6.08 DOOR POST NAILERS & CLEATS

New door post nailers are to be applied with three (3) 1/2" dia. bolts or welded studs at the option of U. S. Railway.

New door post cleats are to be applied by 16D ring shank type nails.

6.09 CAULKING

Caulking is to be applied at the bottom of door, side and end posts to the deck area and threshold plate area.

7.01 SANDBLASTING

Exterior of car is to be cleaned by sandblasting prior to painting. The following parts will be suitably protected from blast abrasive:

Air Brake Equipment
Hand Brake
Slack Adjuster
Couplers
Draft Gears
Coupler Yokes

7.02 PAINTING

Exterior of car is to receive one coat of primer and one coat of finish paint to a nominal 3 mils dry film thickness. Inside of sliding doors are also to be finish painted. Color to be specified by customer.

Underframe and trucks are to receive one coat of black paint. Interior and exterior of roof are not to be primed or finish painted.

The paint manufacturer's specification and recommendations consistent with U. S. Railway's plant shop practice, will be considered to be the specification of U.S. Railway.

* 7.03 STENCILLING

Basic AAR stencilling will be applied in accordance with AAR Manual of Standards, page L37-39A, plus 21" letters "ROCK ISLAND".

U. S. Railway's standard ownership stencil is to be applied at the upper lefthand corner on each side of the car.

"Keep Off Roof, No Running Board" stencil is to be applied on the "BL" side sheet adjacent to side ladder in yellow and black in accordance with DOT requirements 231.27 (j), latest issue.

Cars are to be light weighed and stencilled in accordance with Interchange Rule 70.

7.04 ACI LABELS

ACI labels on metal plates are to be applied in location specified by AAR Manual of Standards & Recommended Practices, Section ACI. Attachment to be by 1/4" dia. welded studs and locknuts. Fasteners to be touched up with black paint after application of label.

7.05 MISCELLANEOUS

Angle cock hose, A-B valve vent protector, couplers, slack adjuster and wheels are to be suitably protected from paint.

*REV. 1/14/74

8.00 ROOF

8.01 ROOF

Existing roof and running boards are to be removed. New seam caps, intermediate and end roof sheets are to be applied. Seam caps are to be applied by 3/8" dia. button head cold driven rivets. Intermediate and end roof sheets are to be applied to side plate and corrugated end by 3/8" dia. rivets or two-piece rivet type fasteners at the option of U. S. Railway.

Intermediate roof sheets to be of corrugated design galvanized #14 gage material.

End roof sheets to be galvanized #14 gage material.

Seam caps to be galvanized #12 gage material.

Roof application is to be light checked.

8.02 CAULKING

Side plate, corrugated end sheet top flange and seam caps are to be caulked before assembly and application of roof.

Caulking to be gun grade type.

8.03 RUNNING BOARD

Running board, saddles, supports, etc., are NOT to be reapplied.

9.00 SAFETY APPLIANCES

9.01 HORIZONTAL END HANDHOLDS

3/4" dia. horizontal end handholds are to be applied at both ends of the car in accordance with DOT requirements 231.27 (i) for cars without roof hatches. The long horizontal handhold on the "A" end of the car is to have an intermediate support.

Handhold brackets are to be of ASTM A575 Grade 1020 material.

Application of handholds to be by 1/2" dia. rivets or two-piece rivet type fasteners at the option of U. S. Railway.

9.02 END & SIDE LADDERS

"A" end and side ladders are to be shortened to a four grab ladder in accordance with DOT requirements 231.37 (i).

"B" end and side ladders are to be maintained and straightened or repaired as required.

9.03 ROOF HANDHOLD

Existing roof handhold is to be reapplied at the "BL" corner only. Back up plates are to be applied on the underside of the roof sheet and are to be heavily caulked before application of handhold.

Application of handhold is to be by 1/2" dia. rivets or two-piece rivet type fasteners at the option of U. S. Railway.

9.04 HANDBRAKE

Handbrake and step are to remain in the high position.

9.05 RUNNING BOARD

Running board, saddles, supports, etc., are not to be reapplied.

9.06 SAFETY APPLIANCES

All ladders, grabs, steps, etc., are to be straightened or replaced as required.

10.00 TRUCKS

10.01 INSPECTION

Trucks are to be removed from car and dismantled for inspection. All trucks will be 50-Ton capacity with 5 1/2" x 10" journals.

10.02 TRUCK BOLSTERS

Truck bolsters are to be inspected and repaired as required. Bolsters which are condemned per Interchange Rule 47 are to be replaced with serviceable secondhand bolsters meeting this Rule. Cracked and worn bolsters are to be repaired per Interchange Rule 47 as required.

Worn gibs and wear plates are to be repaired and applied in accordance with Interchange Rule 47.

Stabilizing friction shoe pockets are to be repaired in accordance with vendor's repair specifications.

10.03 TRUCK SIDE FRAMES

Truck side frames are to be inspected and repaired as required. Side frames which are condemned per Interchange Rule 48 are to be replaced with serviceable secondhand side frames meeting this rule. Cracked and worn side frames are to be repaired per Interchange Rule 48 as required.

Side frame column wear plates are to be replaced as required. Wear plates to be C-1045 material. Application to be by welding.

* 10.04 JOURNAL STABILIZING

AAR approved type journal stops are to be applied. "Mobile" (Illinois Railway Equipment Co.) insert type stop will be used per Interchange Rule 32.

10.05 JOURNAL BOX LID & SEALS

Journal box lids are to be replaced as required with a secondhand serviceable lid per Interchange Rule 33.

AAR approved journal box lid seals are to be applied.

10.06 JOURNAL BOX REAR SEALS

AAR approved journal box rear seals are to be applied per Interchange Rule 33.

Top of seal is to receive a coat of sealant except on rear seals which require a dust guard plug in accordance with Interchange Rule 33 (E).

10.07 JOURNAL LUBRICATORS

AAR approved lubricators are to be applied in accordance with Interchange Rule 24.

Lube dates, stencil, etc., is to be in accordance with Interchange Rule 25.

10.08 TRUCK STABILIZING FRICTION SHOES

Friction shoes are to be inspected per Interchange Rule 47 (A) and are to be replaced as required with new friction shoes which are standard to truck.

10.09 TRUCK SPRINGS

Truck springs are to be removed, inspected, gaged and regrouped per Interchange Rule 50 (A). Springs condemned by this rule are to be replaced with secondhand serviceable springs complying with Rule 50.

Truck spring group is to be for gross rail load of 177,000#.

10.10 BRAKE BEAMS

Trucks are to be equipped with a minimum of #18 serviceable brake beams. Brake beams are to be replaced as required when condemned per Interchange Rule 6. Beams are to be replaced in kind standard to truck.

* 10.11 BRAKE SHOES

New AAR-1-B high phosphorous cast iron brake shoes are to be applied.

10.12 JOURNAL BEARINGS

Journal bearings are to be inspected and replaced with new or relined 5 1/2" x 10" steeple back bearings, as required when bearing is condemned by Interchange Rule 30. New bearing size is to be determined by gaging journal size as outlined in Rule 30.

10.13 JOURNAL BEARING WEDGE

Journal bearing wedges are to be inspected and replaced as required when wedge is condemned by Interchange Rule 31. Replacement wedge to be new or secondhand serviceable meeting Rule 31 requirements.

10.14 AXLES

Journals are to be inspected and turned as required. Axles which are condemned per Interchange Rule 42 are to be replaced with serviceable secondhand 5-1/2" x 10" axles which meet the Rule 42 requirements. Turning of journals to be in accordance with Wheel and Axle Manual, latest revision.

10.15 WHEELS

Wheels are to be inspected and replaced as required when condemned in accordance with Interchange Rule 41. Replacement wheels to be serviceable secondhand 33" steel wheels meeting Rule 41 requirements.

10.16 BOLSTER CENTER PLATE LUBE

Bolster center plates are to be lubricated in accordance with Interchange Rule 47-E.

11.01 FLOOR STRINGERS

All existing floor stringers are to be replaced. Three 3" I stringers @ 5.7#/ft. are to be applied on each side of the center sill running continuous from bolster to bolster and from bolster to end sill.

New stringers are to be attached to crossties by 3/16" fillet weld and to crossbearer, bolster top cover plates, and end sill by 4" x 4" x 3/8" angle clips. Clips to be welded to stringer and cover plates by 3/16" fillet welds.

11.02 BOLSTER REINFORCEMENTS

Bolster top cover plates are to be repaired as required by "V"ing out cracks, welding and application of (2) two 6" channels at 12#/ft. across top cover plate extending to include side sill angles. Attachment to top cover plate to be by 1/4" fillet weld. Attachment to side sills to be by 3" x 2" x 1/4" hold down angles welded to side sill and top of reinforcement channels. Channels to be ASTM A-36 material.

A 6" x 3-1/2" x 5/16" connection angle is to be applied at each bolster web to center sill area. Attachment to web is to be by 1/4" slot and fillet welding. Attachment to center sill is to be by two-piece rivet type fasteners connecting connection angle, center sill and center filler together or by welding whichever is standard to car construction. Connection angle to be either ASTM A-113 or A-36 material.

All vertical cracks in bolster webs are to be "V"ed out and welded. A vertical tie plate 5/16" thick is to be applied between the bolster top and bottom cover plates in these cracked areas. Attachment to cover plates is to be by welding. Tie plate material to be ASTM A-113.

All other cracks to be "V"ed out and welded prior to any patches being applied.

11.03 CROSSBEARERS

Crossbearers are to be repaired as required. Fractured cover plates are to be repaired by applying an additional 6" x 3/8" thick tie plate on existing cover plates. Tie plate to be ASTM A-113 material. Attachment to be by welding or two-piece rivet type fasteners, whichever is standard to car.

Crossbearer bottom cover plates are to be attached to center sill flange by (2) two 5/8" dia. two-piece rivet type fasteners.

* 11.04 CROSSTIES - (EXISTING)

Crossties are to be straightened and repaired as required. Existing crossties are to be suitably reinforced at side sill to meet 25000# fork truck load.

* 11.05 CROSSTIES -- (NEW)

A new channel shaped crosstie (1/4" thick) is to be applied at the center line of car on the 23000-23999 and 24000-24999 series cars. All other cars will not require the additional new crosstie.

11.06 BODY CENTER PLATES

Body center plates are to be repaired or replaced with new as required. Application of center plate is to be by (4) four 7/8" dia. two-piece rivet type fasteners, one at each corner, and a 3/8" fillet weld completely around the base, stopping short of the radius at each corner, attaching center plate to the bolster sole plate.

11.07 SIDE SILL REINFORCEMENT

Existing side sill reinforcement is to remain and a new 10 1/2" X 3" X 5/16" formed angle shaped reinforcement is to be applied.

- * New reinforcement is to extend from bolster to bolster and is to overlap side sill angle by 1/2". Attachment to side sill angle is to be by continuous 1/4" fillet weld. Attachment to bolster, crossbearers, and existing side sill reinforcement is to be by 5/8" dia. two-piece rivet type fasteners.

New reinforcement is to be fabricated in three pieces of ASTM A-113 material with center piece spliced beyond each door post. Splices to be groove welded and have reinforcement angle applied at bottom flange.

Gussets between new side sill reinforcement and each underframe member are to be applied. Attachment to be by welding.

11.08 JACKING PAD

A 4" X 1 1/4" X 14" long jacking pad is to be applied at each bolster area. Three vertical gussets are to be applied between jacking pad and bolster bottom cover plate.

Jacking pad and gussets are to be ASTM A-36 material.

Attachment to be by 3/16" fillet welds.

11.09 SPARK SHIELDS

#22 X 48" wide gage galvanized spark shields are to be applied covering wheel area from side sill to center sill. Application to floor stringers is to be by tack welds. Material to be galvanized sheet to ASTM Spec. A-446, Grade "A".

* 11.10 SIDE BEARING CLEARANCE

Body side bearing clearance is to be adjusted to be within 1/4" to 3/8" clearance per Interchange Rule 47-E-2. Clearances to be obtained by shimming body side bearings or truck center plates, if required, per Interchange Rule 47-E-3. New side bearing shims are to have one hole and one slot. Existing shims are to be maintained in kind and will not require replacement.

11.11 CENTER SILL

Center sills are to be inspected and if fractured are to be repaired in accordance with Interchange Rule 57.

11.12 STRIKER & CENTER FILLER CASTINGS

Striker and center filler castings are to be inspected and repaired as required. Repair to consist of "V"ing out cracks, welding and local stress relieving of castings by heating to a red heat and air cooling in accordance with Interchange Rule 82. A 3/4" X 2-1/4" bar is to be applied around the entire striker assembly on all cars with ACF type strikers.

12.00 MISCELLANEOUS

12.01 ROUTING AND PLACARD BOARDS

New routing and placard boards are to be applied. Location of boards to be in accordance with AAR Manual, Page C-18, latest revision.

Routing and placard boards are to be 25/32" thick yellow pine.

Attachment of brackets to car body to be by welding.

Brackets are to be replaced as required.

12.02 SHIPPING CONDITION

The interior of each car is to be cleaned and in suitable condition acceptable for loading when released.

12.03 DEFECT CARD HOLDER

Defect card holder is to be applied in accordance with AAR standard practice.
